

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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RELIOS, INC. f/k/a :
CARLISLE JEWELRY CO. :
Plaintiff, : Case No. 08-3981
vs. : Defendant's Answer
U.S. JEWELRY HOUSE, LTD. : to Complaint
Defendant. :
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Defendant U.S. Jewelry House, Ltd. ("U.S. Jewelry"), by and through its attorneys, Zarin & Associates P.C., answer Plaintiff Relios's Complaint, as follows:

PARTIES

1. Defendant denies knowledge and information sufficient to form a belief as to the truth or falsity of the allegation contained in paragraph 1 of the Complaint.

2. Defendant admits the allegations contained in paragraph 2 of the Complaint.

3. Defendant denies the allegation contained in paragraph 3 of the Complaint that it "directed infringing jewelry into this district," but admits all other allegations in this paragraph.

GENERAL AVERMENTS

4. Defendant denies knowledge and information sufficient to form a belief as to the truth or falsity of the allegation contained in paragraph 4 of the Complaint.

5. Defendant denies knowledge and information sufficient to form a belief as to the truth or falsity of the allegation contained in paragraph 5 of the Complaint.

6. Defendant denies knowledge and information sufficient to form a belief as to the truth or falsity of the allegation contained in paragraph 6 of the Complaint.

7. Defendant denies knowledge and information sufficient to form a belief as to the truth or falsity of the allegation contained in paragraph 7 of the Complaint.

8. Defendant admits the allegations contained in paragraph 8 of the Complaint that it "imports and sells jewelry," "sells jewelry through its web-site" and sells jewelry "in this judicial district," but denies all other allegations in this paragraph.

9. Defendant admits the allegation contained in paragraph 9 of the Complaint that it sells jewelry to retailers in this judicial district, but denies all other allegations in this paragraph.

10. Defendant denies the allegations contained in paragraph 10 of the Complaint.

11. Defendant denies the allegations contained in paragraph 11 of the

Complaint.

12. Defendant denies the allegations contained in paragraph 12 of the Complaint.

13. Defendant denies the allegations contained in paragraph 13 of the Complaint.

COUNT I -- COPYRIGHT INFRINGEMENT

14. Defendant repeats and realleges each and every response contained in paragraphs 1 through 13 of this Answer as if fully set forth herein.

15. Defendant denies knowledge and information sufficient to form a belief as to the truth or falsity of the allegation contained in paragraph 15 of the Complaint.

16. Defendant denies the allegations contained in paragraph 16 of the Complaint.

COUNT II -- WILLFUL COPYRIGHT INFRINGEMENT

17. Defendant repeats and realleges each and every response contained in paragraphs 1 through 16 of this Answer as if fully set forth herein.

18. Defendant denies knowledge and information sufficient to form a belief as to the truth or falsity of the allegation contained in paragraph 18 of the Complaint.

19. Defendant denies the allegations contained in paragraph 19 of the Complaint.

AFFIRMATIVE DEFENSES

First Affirmative Defense

1. The Complaint fails to state a claim upon which relief can be granted.

Second Affirmative Defense

2. Plaintiff has no ownership rights in the jewelry designs upon which it bases its copyright infringement claims.

Third Affirmative Defense

3. Under 17 U.S.C. 412(2), Plaintiff is not entitled to statutory damages pursuant to 17 U.S.C. 504(c) or attorney fees pursuant to 17 U.S.C. 505.

Fourth Affirmative Defense

5. Plaintiff is estopped from asserting its copyright infringement claims.

Fifth Affirmative Defense

6. Plaintiff has waived its rights to assert copyright infringement claims.

Sixth Affirmative Defense

7. Plaintiff has acquiesced in Defendant's conduct.

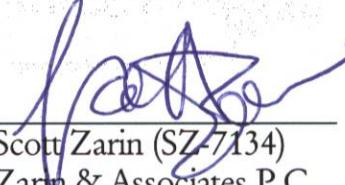
Seventh Affirmative Defense

8. Plaintiff is barred from asserting its copyright infringement claims due to its unclean hands.

WHEREFORE, Defendant demands a judgment dismissing Plaintiff's Complaint, along with an award of costs, disbursements and reasonable attorney fees, in addition to such other relief as this Court deems just and proper.

Date: May 19, 2008

Respectfully submitted,



Scott Zarin (SZ-7134)
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Attorneys for Defendant
U.S. Jewelry House, Ltd.

Certificate of Service

I, Scott Zarin, Esq., declare, under penalty of perjury, that, on May 19, 2008, I served via First Class U.S. Mail:

Defendant's Answer to Complaint

on counsel for Plaintiff Relios, Inc.:

Barry D. Williams, Esq.
Bannerman & Williams P.A.
2201 San Pedro N.E., Building 2, Suite 207
Albuquerque, New Mexico 87110

Date: 5/19/08

A handwritten signature in blue ink, appearing to read "Scott Zarin".